

Steve Clemons Interview Notes for 12/10/97

Steve Clemons was interviewed for the second time by David Kass and Jim Schumann on December 10, 1997 at his office at 1401 H Street. The first interview occurred on December 5, 1997.

Mr. Clemons graduated from UCLA with a degree in political science. Mr. Clemons' employment history is as follows: Executive Director of the Japan American Society of Southern California (1987-93); Co-founder with Chalmers Johnson of the Japan Research Institute; Executive Director of the Nixon Center (1994-95); Senior Policy Advisor for Senator Bingaman (1995-1997); Currently, Executive Vice President for the Economic Strategy Institute.

Clemons first heard about Trie's name either the last week of September 1995 or the first week of October 1995 (Clemons believes his earlier statement of hearing about Trie as early as July 1995 may be mistaken after refreshing his memory from documents during the second interview). Although the document that refreshed Clemons' memory had a fax header from Lehman Brothers, Clemons had no idea if Trie had a contact at Lehman Brothers. Instead, Clemons suggested that David Sanger knew about Trie's contact at Lehman Brothers.

We discussed with Clemons a document listing July 10, 1995 as a date when the Commission appointees would be publicly announced. When asked if this was a possible date for the public announcement, Clemons said yes, but added that there was always a "firm list" ready to be announced but then the announcement was "always" put off. When asked who delayed the public announcement of the appointees, Clemons said "they always blamed someone else" for the delay.

Clemons first started talking with Charles Duncan in the Office of Presidential Personnel after first speaking with Senator Bingaman and Bingaman's chief of staff, Patrick von Bargan. Duncan started mentioning the need to check nominees against "donor" and "friends" lists before Trie's name was first mentioned. Duncan continued to mention this was necessary throughout the entire process. Senator Bingaman and Clemons both attempted to get a "certain kind of person", meaning businessmen, on the Commission. Clemons' discussion with "these people" (meaning Duncan and Phyllis Jones from USTR) led Clemons to call the DNC/DSCC for the donor lists.

Although Clemons was not able to recall who he had contacted at either the DNC or the DSCC, he checked both organizations against the rolodex in his office computer, and he came up with the name of David Carroll of the Finance Department at the DNC. Clemons said that he had likely called Carroll and explained to him that he kept hearing about "friends on lists" and he was frustrated by the process. When asked what he and Carroll had discussed, Clemons stated that he explained to Carroll that this

concerned appointments to the Bingaman Commission and that Carroll “wouldn’t have sent it unless he knew that Clemons told him why he wanted the lists.” Clemons also told Carroll that, “I need a list to see if we can find someone, a CEO, who can pass the White House screeners.” In response, Carroll said, “I will send you something discreetly.” Carroll sent Clemons a list of the top donors (Clemons believes he still has the donor list sent by Carroll among his 40 boxes of documents he brought from Bingaman’s office - he will try to find it within the next two weeks. He will also try to locate within the next two weeks other documents, including Senator Bingaman’s draft letter to the White House opposing Trie’s nomination, which was never sent.)

When Clemons was arguing with Duncan about Trie’s placement on the Commission, Duncan told Clemons that Trie’s name came from “high up in the White House.” Duncan never referred to Trie’s experience with Asian trade barriers. When Duncan stated that he wanted an Asian-American on the Commission, Clemons suggested other, more qualified Asians to take Trie’s place.

Clemons never met Trie prior to their meeting at Ken Brody’s house (see 12/5/97 Interview for details). However, Clemons left phone messages for Trie at three different locations and did speak with Trie on the telephone. Clemons’ main intention of speaking with him was confirming that Trie’s Daihatsu was not the same as the Japanese conglomerate Daihatsu. Trie told Clemons during the conversation that he was “a friend of Bill Clinton” and that he was also a businessman in Arkansas.

The many e-mails Clemons sent to Jones and Duncan argued that Trie was not competent to serve on the Commission, that he did not have the background to serve on the Commission, and that his appointment would raise “red flags.” They did not discuss Trie’s donations to the DNC.

Later, in telephone discussions between Duncan and Clemons about Trie, Duncan never mentioned the fact that Trie was a donor, but Duncan did say that other members of the Commission were major donors. Duncan did tell Clemons in this discussion that Trie was an “absolutely must appointment” from high in the White House.

Clemons had about a dozen conversations with Peter Scher, Kantor’s Chief of Staff at USTR and Scher finally agreed to get the Commission appointments moving. Clemons stated that Scher and Phyllis Jones were close and he assumed that anything he told Jones was known by Scher. Clemons told Scher that he was worried about the quality of the appointments.

Nao Matsukata is known by Clemons and that Clemons helped get Matsukata his current job with Senator Lieberman. Matsukata was not involved in the early stages of the Commission, including its formation, but he was very involved in the Commission later by drafting the minutes of meetings. Clemons knew of no contact between Matsukata and Trie.

Charles Uthus from the Department of Commerce lobbied Clemons for a job on the Commission and Clemons stated that it must have worked because Uthus did work on the Commission.

Clemons was of the opinion that the choice of Ken Brody as Chairman would marginalize the Commission. Brody was not known and was a government person. Bingaman and Clemons wanted a CEO because they wanted the Commission to provide a business perspective to problems with trade in Asia and not a government view because the government's past actions showed that it could not find the solutions.

Clemons constantly asked Jones how the appointment process for the Commission worked. Jones knew all of Kantor's friends and the Administration's friends, and knew which ones were donors. With Jones, it was more of a question of who were friends and who were not, rather than who were or were not donors. Jones told Clemons that working on this Commission was "one of the most frustrating commissions she has dealt with."

When asked whether the pressure for appointing donors was coming from the White House or USTR, Clemons stated without hesitation that it was "no doubt the White House."

Clemons never spoke to Bob Nash of the Office of Presidential Personnel.